

MINUTES OF THE
TEXAS WATER DEVELOPMENT BOARD MEETING
OCTOBER 1, 2026

Chairwoman L'Oreal Stepney called to order the meeting of the Texas Water Development Board at 9:30 a.m. This meeting was held at 1700 Congress Avenue, Stephen F. Austin Building, Room 170 and via webinar in Austin, Texas. In addition to Chairwoman Stepney, Directors Ashley Morgan and Brady Franks were in attendance, and a quorum was present.

The General Counsel announced the items for consideration:

1. Consider acting on a petition for rulemaking related to Water Supply Analysis in Regional Water Planning. Kendal Kowal, Office of General Counsel, presented this item. Bob Achigll addressed the Board.

Director Franks moved to deny the petition for rulemaking related to Water Supply Analysis in Regional Water Planning, as recommended by the Executive Administrator.

The motion was seconded by Director Morgan, and it passed unanimously.

2. Consider Approving Internal Audit's Fiscal Year 2027 Audit Plan. Nicole Campbell, Internal Audit, presented this item.

Director Morgan moved to approve Internal Audit's Fiscal Year 2027 Audit Plan.

The motion was seconded by Director Franks, and it passed unanimously.

3. Consider approving by resolution the establishment of lending rate scales for financial assistance provided under the State Water Implementation Fund for Texas program through the State Water Implementation Revenue Fund for Texas and the Financial Assistance Account of the Texas Water Development Fund II to be effective October 1, 2026. Thomas Quick, Office of Finance, presented this item.

Director Franks moved to approve the establishment of lending rate scales for financial assistance provided under the State Water Implementation Fund for Texas program through the State Water Implementation Revenue Fund for Texas and the Financial Assistance Account of the Texas Water Development Fund II to be effective October 1, 2026, as recommended by the Executive Administrator.

The motion was seconded by Director Morgan, and it passed unanimously.

4. Consider authorizing the Executive Administrator to execute two contracts in a total Texas Water Development Board contributed amount not to exceed \$1,925,000 for lidar data acquisition and quality assurance/quality control for two Middle Colorado River Basin watersheds, using the Texas Strategic Mapping Program and their associated Geographic Information Systems vendor cooperative contracts at the Texas Department of Information Resources. Richard Wade, TxGIO, presented this item.

Director Morgan moved to authorize the Executive Administrator to execute two contracts in a total Texas Water Development Board contributed amount not to exceed

\$1,925,000 for lidar data acquisition and quality assurance/quality control for two Middle Colorado River Basin watersheds, using the Texas Strategic Mapping Program and their associated Geographic Information Systems vendor cooperative contracts at the Texas Department of Information Resources, as recommended by the Executive Administrator.

The motion was seconded by Director Franks, and it passed unanimously.

5. Consider approving the amendments to the State Fiscal Year 2026 Drinking Water State Revolving Fund Intended Use Plan covering general activities. Heather O'Keefe, Water Supply & Infrastructure, presented this item.

Director Franks moved to approve the amendments to the State Fiscal Year 2026 Drinking Water State Revolving Fund Intended Use Plan covering general activities, as recommended by the Executive Administrator.

The motion was seconded by Director Morgan, and it passed unanimously.

6. Consider approving the amendments to the State Fiscal Year 2026 Clean Water State Revolving Fund Intended Use Plan covering general activities. Heather O'Keefe, Water Supply & Infrastructure, presented this item.

Director Morgan moved to approve the amendments to the State Fiscal Year 2026 Clean Water State Revolving Fund Intended Use Plan covering general activities, as recommended by the Executive Administrator.

The motion was seconded by Director Franks, and it passed unanimously.

7. Consider approving the State Fiscal Year 2027 Drinking Water State Revolving Fund Intended Use Plan covering general activities. Heather O'Keefe, Water Supply & Infrastructure, presented this item.

Director Franks moved to approve the State Fiscal Year 2027 Drinking Water State Revolving Fund Intended Use Plan covering general activities, as recommended by the Executive Administrator.

The motion was seconded by Director Morgan, and it passed unanimously.

8. Consider approving the State Fiscal Year 2027 Clean Water State Revolving Fund Intended Use Plan covering general activities. Heather O'Keefe, Water Supply & Infrastructure, presented this item. Cedric Davis Sr., City Manager, addressed the Board on behalf of Mayor Ciri Villarreal and the City of Mathis.

Director Morgan moved to approve the State Fiscal Year 2027 Clean Water State Revolving Fund Intended Use Plan covering general activities, as recommended by the Executive Administrator.

The motion was seconded by Director Franks, and it passed unanimously.

9. Consider authorizing the Executive Administrator to execute a contract amendment for the Drinking Water State Revolving Fund Set-Aside Contract between the Texas Water

Development Board and the Texas Commission on Environmental Quality covering the regular annual appropriations and appropriations from the Infrastructure Investment and Jobs Act for State Fiscal Year 2027. Jesse Milonovich, Water Supply & Infrastructure, presented this item.

Director Franks moved to authorize the Executive Administrator to execute a contract amendment for the Drinking Water State Revolving Fund Set-Aside Contract between the Texas Water Development Board and the Texas Commission on Environmental Quality covering the regular annual appropriations and appropriations from the Infrastructure Investment and Jobs Act for State Fiscal Year 2027, as recommended by the Executive Administrator.

The motion was seconded by Director Morgan, and it passed unanimously.

10. Consider authorizing the Executive Administrator to execute a contract amendment for the Clean Water State Revolving Fund Set-Aside Contract between the Texas Water Development Board and the Texas Commission on Environmental Quality covering the regular annual appropriations for State Fiscal Year 2027. Jesse Milonovich, Water Supply & Infrastructure, presented this item.

Director Morgan moved to authorize the Executive Administrator to execute a contract amendment for the Clean Water State Revolving Fund Set-Aside Contract between the Texas Water Development Board and the Texas Commission on Environmental Quality covering the regular annual appropriations for State Fiscal Year 2027, as recommended by the Executive Administrator.

The motion was seconded by Director Franks, and it passed unanimously.

11. Consider approving the selected flood management evaluation application and authorizing the Executive Administrator to execute contracts for grant funding from the 2024-25 Flood Infrastructure Fund cycle in an amount not to exceed \$178,526 for a watershed flood protection planning project. Chris Mercado, Office of Planning, presented this item.

Director Franks moved to approve the selected flood management evaluation application and authorize the Executive Administrator to execute contracts for grant funding from the 2024-25 Flood Infrastructure Fund cycle in an amount not to exceed \$178,526 for a watershed flood protection planning project, as recommended by the Executive Administrator.

The motion was seconded by Director Morgan, and it passed unanimously.

12. Consider amending by resolution the previously adopted Texas Water Development Board Resolution No. 17-113, to modify the City of Abilene's Clean Water State Revolving Fund project scope of work. Nancy Richards, Water Supply & Infrastructure, presented this item.

Director Morgan moved to amend the previously adopted Texas Water Development Board Resolution No. 17-113, to modify the City of Abilene's Clean Water State

Revolving Fund project scope of work, as recommended by the Executive Administrator.

The motion was seconded by Director Franks, and it passed unanimously.

13. Consider authorizing the Executive Administrator to execute an agreement with Airline Improvement District for a \$6,000,000 grant pursuant to House Bill 500, 89th Leg., R.S., Article VI, Section 6.02 and Senate Bill 1, 89th Leg., R.S., Article IX, Section 17.18. Bill Blaik, Water Supply & Infrastructure.

Director Franks moved to adopt the proposed resolution authorizing the Executive Administrator to execute an agreement with Airline Improvement District for a grant pursuant to House Bill 500 and Senate Bill 1, 89th Legislative Regular Session, as recommended by our Executive Administrator.

The motion was seconded by Director Morgan, and it passed unanimously.

14. Consider approving by resolution a request from the Garner Independent School District (Parker County) for \$133,000 in principal forgiveness from the Clean Water State Revolving Fund for planning and design of a wastewater system improvement project. Nancy Richards, Water Supply & Infrastructure, presented this item.

Director Morgan moved to adopt the proposed resolution for the Garner Independent School District for financial assistance from the Clean Water State Revolving Fund for planning and design of a wastewater system improvement project, as recommended by the Executive Administrator.

The motion was seconded by Director Franks, and it passed unanimously.

15. Consider approving by resolution a request from the City of Hutchins (Dallas County) for \$14,500,000 in financial assistance consisting of \$4,500,000 in financing and \$10,000,000 in principal forgiveness from the Clean Water State Revolving Fund for planning, design, and construction of a wastewater system improvements project. Nancy Richards, Water Supply & Infrastructure, presented this item.

Director Franks moved to adopt the proposed resolution for the City of Hutchins for financial assistance from the Clean Water State Revolving Fund for planning, design, and construction of a wastewater system improvements project, as recommended by the Executive Administrator.

The motion was seconded by Director Morgan, and it passed unanimously.

16. Consider approving by resolution a request from the City of Petrolia (Clay County) for \$1,351,420 in principal forgiveness from the Drinking Water State Revolving Fund for planning, design, and construction of a water systems improvement project. Nancy Richards, Water Supply & Infrastructure, presented this item.

Director Morgan moved to adopt the proposed resolution for the City of Petrolia for financial assistance from the Drinking Water State Revolving Fund for planning, design, and construction of a water systems improvement project, as recommended by the Executive Administrator.

The motion was seconded by Director Franks, and it passed unanimously.

17. Consider approving by resolution a request from the Red River Authority (Wichita County) for \$936,000 in principal forgiveness funding from the Drinking Water State Revolving Fund for a water systems improvement project. Nancy Richards, Water Supply & Infrastructure, presented this item.

Director Franks moved to adopt the proposed resolution for the Red River Authority for financial assistance from the Drinking Water State Revolving Fund for a water systems improvement project, as recommended by the Executive Administrator.

The motion was seconded by Director Morgan, and it passed unanimously.

18. Consider approving by resolution a request from the City of Waller (Waller and Harris Counties) for \$4,282,500 in principal forgiveness from the Clean Water State Revolving Fund for planning, design, and construction of a wastewater system improvements project. Nancy Richards, Water Supply & Infrastructure, presented this item.

Director Morgan moved to adopt the proposed resolution for the City of Waller for financial assistance from the Clean Water State Revolving Fund for planning, design, and construction of a wastewater system improvements project, as recommended by the Executive Administrator.

The motion was seconded by Director Franks, and it passed unanimously.

19. Consider approving by resolution a request from the City of Zavalla (Angelina County) for \$5,392,157 in principal forgiveness funding from the Drinking Water State Revolving Fund for planning, design, and construction of a water system improvements project. Nancy Richards, Water Supply & Infrastructure, presented this item.

Director Franks moved to adopt the proposed resolution for the City of Zavalla for financial assistance from the Drinking Water State Revolving Fund for planning, design, and construction of a water system improvements project, as recommended by the Executive Administrator.

The motion was seconded by Director Morgan, and it passed unanimously.

20. The Board will receive comments from the public on any matters within the jurisdiction of the TWDB the exception of matters which are subject to the ex parte prohibition found in Texas Government Code Section 2001.061. Keith Kindle, Enprotec/Hibbs & Todd, Inc., addressed the Board regarding item 13.
21. THE BOARD MAY ADJOURN INTO EXECUTIVE SESSION AND CONDUCT A CLOSED MEETING TO CONSIDER ANY ITEM ON THIS AGENDA IF A MATTER IS RAISED THAT IS APPROPRIATE FOR THE BOARD TO CONDUCT A PRIVATE CONSULTATION WITH ITS ATTORNEY ON A MATTER IN WHICH THE DUTY OF THE ATTORNEY TO THE GOVERNMENTAL BODY UNDER THE TEXAS DISCIPLINARY RULES OF PROFESSIONAL CONDUCT OF THE STATE BAR OF

TEXAS CLEARLY CONFLICTS WITH CHAPTER 551 OF THE TEXAS GOVERNMENT CODE. THE BOARD MAY CONDUCT A CLOSED MEETING TO RECEIVE LEGAL ADVICE AND DISCUSS PENDING OR CONTEMPLATED LITIGATION, SETTLEMENT OFFERS, OR THE APPOINTMENT, EMPLOYMENT, EVALUATION, REASSIGNMENT, DUTIES, DISCIPLINE OR DISMISSAL OF SPECIFIC BOARD EMPLOYEES, INCLUDING THE EXECUTIVE ADMINISTRATOR AND GENERAL COUNSEL, AS PERMITTED BY SECTIONS 551.071 AND 551.074, THE TEXAS OPEN MEETINGS ACT, CODIFIED AS CHAPTER 551 OF THE TEXAS GOVERNMENT CODE. THE BOARD MAY ALSO MEET IN OPEN MEETING TO TAKE ACTION ON LEGAL OR PERSONNEL MATTERS CONSIDERED IN THE CLOSED MEETING AS REQUIRED BY SECTION 551.102 OF THE OPEN MEETINGS ACT, CHAPTER 551 OF THE GOVERNMENT CODE. THE BOARD MAY CONDUCT A CLOSED MEETING TO CONSIDER AND DISCUSS FINANCIAL MATTERS RELATED TO THE INVESTMENT OR POTENTIAL INVESTMENT OF THE BOARD'S FUNDS, AS PERMITTED BY SECTION 6.0601(A) OF THE TEXAS WATER CODE. THE BOARD MAY ALSO MEET IN OPEN MEETING TO TAKE ACTION ON A FINANCIAL MATTER DISCUSSED IN THE CLOSED MEETING AS REQUIRED BY SECTION 6.0601(B) OF THE TEXAS WATER CODE.

The open session of the Texas water Development Board recessed at 10:42 a.m.

After an Executive Session of the Board, the Chairwoman called the meeting of the Texas Water Development Board back into session at 1:10 p.m. There being no further business for the Board, the meeting was adjourned at 1:10 p.m.

APPROVED and ordered of record this the 1st day of October 2026.

TEXAS WATER DEVELOPMENT BOARD

L'Oreal Stepney, P.E., Chairwoman

DATE SIGNED: _____

ATTEST:

Bryan McMath, Executive Administrator